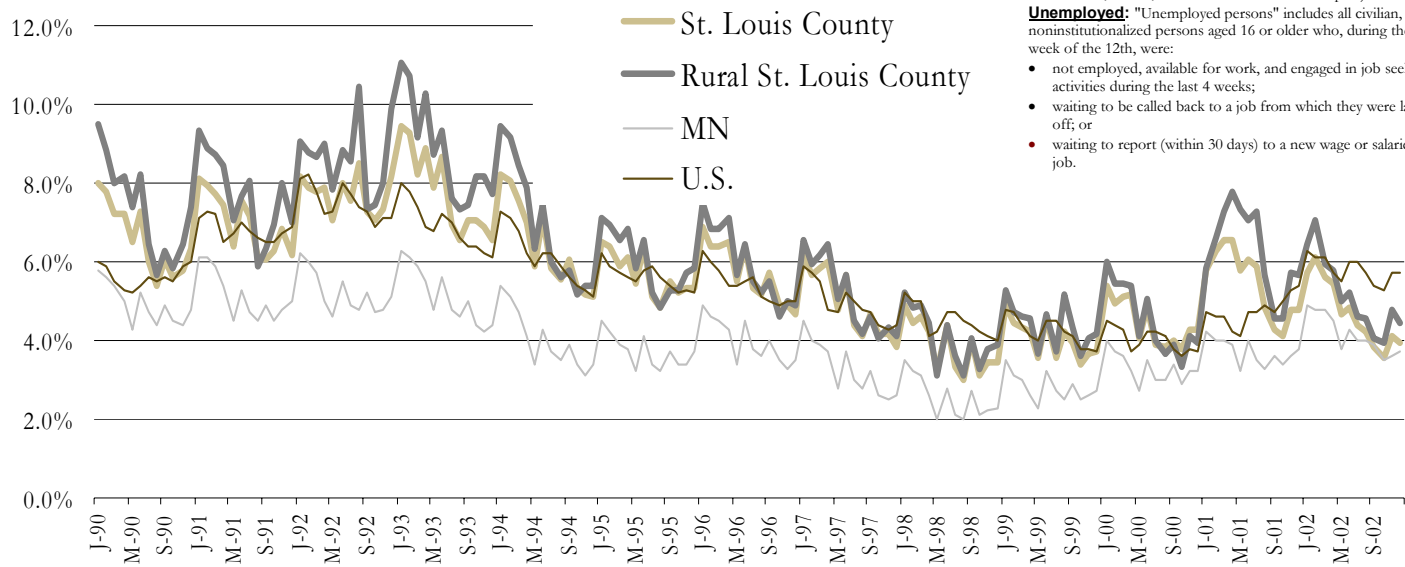


Unemployment Rates by Month

Selected Areas 1990—Dec, 2002



Source: Minnesota Department of Economic Security. www.mnworkforcecenter.org

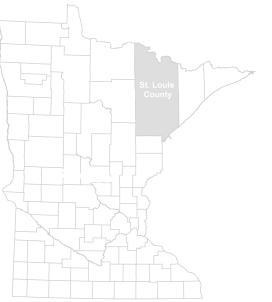
Definitions

Employed: "Employed persons," as the term is used by the LAUS program, means all civilian, noninstitutionalized persons aged 16 or older who, during the week of the 12th:

- worked at least one hour for pay;
- worked 15 hours or more as unpaid workers on a family farm or in a family-operated business; or
- had a job but were temporarily absent (illness, bad weather, vacation, strikes, or other reasons even if not paid).

Unemployed: "Unemployed persons" includes all civilian, noninstitutionalized persons aged 16 or older who, during the week of the 12th, were:

- not employed, available for work, and engaged in job seeking activities during the last 4 weeks;
- waiting to be called back to a job from which they were laid off; or
- waiting to report (within 30 days) to a new wage or salaried job.



St. Louis County

Economy Employment Labor Force Wages

County Administrator

David Twa

Planning Director

Barbara Hayden



Published 2003
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2003 St. Louis County Commissioners

1st District
Dennis Fink

2nd District
Joanne Fay

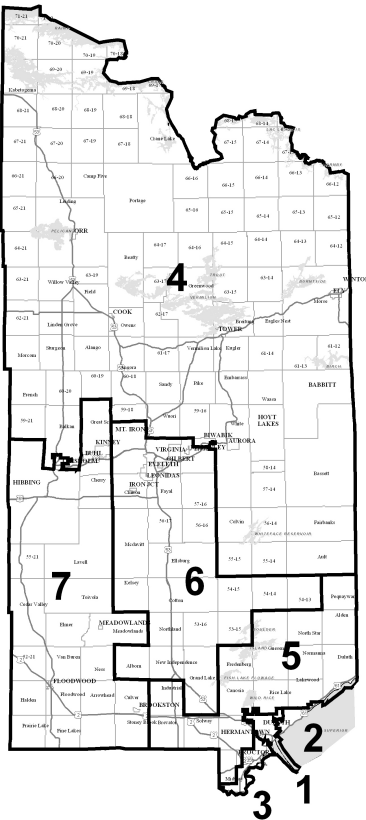
3rd District
Bill Kron

4th District
Michael Forsman

5th District
Peg Sweeney

6th District
Keith Nelson

7th District
Steve Raukar



2003



Where are the Current Job Vacancies?

About the Report

This report is a snapshot of the regional and St. Louis County economy and labor force. Its intent is to bring together data and information from federal, state and local sources to examine the local economy and trends.

What Does the Economic Data Mean?

It is difficult to determine the exact state of Northeast Minnesota economy. However, there are data measures that can be used as a guidance for policy decisions.

Key Facts and Figures

- Job Growth:** From 1990-2001, St. Louis County added 12,071 jobs, or the number of jobs grew by 15.2%. The private industry accounted for 92.0% of all job growth during this period. However, from 2000-2001, St. Louis County lost 3,542 jobs.
- Industry Mix:** Based upon the 2001 total yearly average employment by industry, St. Louis County’s lead industry was health care and social assistance with 16,394 jobs, or 17.9% of St. Louis County’s average yearly employment.
- Unemployment Rate:** The average number of residents unemployed in 1990 was 6,148 (6.6% unemployment rate). In 2002, there were an average of 4,985 unemployed (4.7% unemployment rate) residents. The U.S. average yearly unemployment rate was higher, at 5.8%.

- Initial Claims Characteristics:** The largest number of initial unemployment claims were submitted by construction workers who account for 37.5% of all initial unemployment claims in northeastern Minnesota in 2002.
- Unemployment Insurance (UI) Program:** In St. Louis County, individuals reporting one or more weeks of unemployment (UI benefits paid) rose from 8,284 in 1993 to 10,231 in 2002. The majority of the increase was in areas outside of Duluth. The average spell (weeks) slightly decreased from 14.2 weeks in 1993 to 14.1 weeks in 2002.

- Job Vacancies:** In Northeast Minnesota, the number of job vacancies rose from 3,505 in the 2nd quarter of 2001 to 5,895 in the 2nd quarter of 2002. The largest number of available jobs by occupational group in the 2nd quarter of 2002 were construction workers with 1,360 jobs available (16.7% job vacancy rate) with a median wage offered of \$23.62 and healthcare practitioners and technical workers with 856 jobs available (9.5% job

Trends to Watch

- Population Decline:** The total population growth for St. Louis County increased by 2,315 from 1990-2000. However, 2001 population estimates conducted by the U.S. Census Bureau indicate that St. Louis County experienced the 3rd largest county population decline among all Minnesota counties of 1,068 between 2000-2001, for a total new 2001 population estimate of 199,460. 2001 estimates include:
 - Natural Increase (Birth-Death): -237
 - Net International Migration: 142
 - Net Internal Migration: -891
- New Household Formation w/o Population Growth:** St. Louis County from 1990-2000, formed 3,718 new households. Families households declined by 529 (married couple with and w/o kids and head of households), while newly formed non-family households (mainly residents living alone) increased by 4,247. Historically, non-Family households earn about half of family households causing more households to struggle to make ends meet. Thus the labor force has increased since 1990.
 - Historically, non-family households earn wages about half of family income, causing difficulties to make ends meet
 - There is potentially an increased demand upon government assistance
- Pending Baby Boomer Retirements:** St. Louis County will see baby boomers, born between 1946-1964, begin to retire in the next several years. Currently the oldest baby boomer is 57 years old. The County’s baby boom bubble is generally older and accounts for a larger percentage of the county’s population compared to Minnesota and the U.S.

Median Wage Offered for Job Vacancies by Region

Region	Median Wage Offered (\$)	
	2 nd Quarter, 2001	2 nd Quarter, 2002
Northeast ¹	\$6.10	\$10.00
State	\$10.00	\$9.01

Note: The variation in the median wages of job vacancies is largely driven by differences in industry and occupation mix.

About the Job Vacancy Survey

The Job Vacancy Survey produces point-in-time estimates. A job vacancy is defined as a position that is currently open-for-hire with a surveyed employer.

Employers were asked to provide information on current vacancies at the time of the survey, including job titles, number of vacancies, education and experience requirements, wages and benefits, and the length of time the job vacancy has been open. From this information an estimate based upon industry mix.

Northeast¹ Job Vacancies by Major Occupational Groups, 2nd Quarter 2001 and 2002

Northeast, MN ¹				
Major Occupational Group	2nd Quarter, 2001	2nd Quarter, 2002		
	Number of Job Vacancies	Number of Job Vacancies	Job Vacancy Rate (%)	Median Wage Offered (\$) ²
Construction and Extraction	38	1,360	16.7	23.62
Healthcare Practitioners and Technical	170	856	9.5	11.58
Food Preparation and Serving Related	1,447	808	7.2	5.50
Building, Grounds Cleaning and Maintenance	283	424	7.4	5.50
Sales and Related	478	357	2.5	7.00
Healthcare Support	204	312	6.1	8.79
Education, Training and Library	119	300	3.5	20.00
Office and Administrative Support	139	276	1.2	10.50
Transportation and Material Moving	210	267	2.7	5.50
Personal Care and Services	113	243	7.7	6.00
Community and Social Services	12	182	5.2	8.45
Installation, Maintenance and Repair	30	127	1.5	10.00
Life, Physical and Social Sciences	8	76	6.9	20.00
Business and Financial Operations	35	59	1.5	20.00
Architecture and Engineering	16	37	2.2	19.23
Protective Services	na	29	1.1	8.00
Art, Design, Entertainment and Media	na	27	1.6	5.50
Production	159	26	0.2	10.00
Management	10	17	0.3	14.80
Computer and Mathematical	4	10	0.8	19.86
Farming, Fishing and Forestry	30	<10	na	na
TOTAL	3,505	5,895	4.2%	10.00

Source: Minnesota Department of Economic Security, Research and Statistics Office, “Northeast MN & Duluth Job Vacancy Survey: 2nd Quarter 2001” and “ Minnesota Job Vacancy Survey, 2nd Quarter 2002”

¹The northeast region includes the city of Duluth

²The occupational group wages above are median hourly wage rates calculated from wages reported by employers

Northeast¹ Initial Claim Characteristics

	2000 Claims	2001 Claims	2002 Claims
Total Initial Claims	22,043	31,632	28,092
County of Residence			
St. Louis County	12,457	18,820	16,612
Itasca	3,994	5,468	4,954
Carlton	2,206	3,011	2,846
Koochiching	1,326	1,755	1,610
Lake	782	1,059	666
Cook	277	321	303
Major Industry			
11 Ag, Forest, Fishing, Hunting	704	699	632
21 Mining	390	3,546	1,232
22 Utilities	62	104	97
23 Construction	10,007	11,194	10,536
31-33 Manufacturing	2,363	6,005	4,513
42 Wholesale Trade	389	757	686
44-45 Retail Trade	1,069	1,231	1,631
48-49 Transportation & Warehousing	761	1,017	830
51 Information	137	188	267
52 Finance & Insurance	156	209	174
53 Real Estate, Rental, & Leasing	100	177	169
54 Professional and Technical Services	331	497	644
55 Management of Comp. & Enterprises	5	5	12
56 Administrative and Waste Services	1,000	1,367	1,629
61 Educational Services	478	622	713
62 Health Care and Social Assistance	1,086	873	1,152
71 Arts, Entertainment, and Recreation	521	616	599
72 Accommodation and Food Services	908	1,044	1,154
81 Other Services (except Public Admin)	436	439	476
92 Public Administration	808	725	766
Information NA	332	317	180
Education			
Less than 12 years	1,704	2,092	1,919
12 years	13,206	17,853	15,484
13-15 years	5,699	9,405	8,290
Over 15 years	1,396	2,158	2,139
Information NA	38	124	260
Age			
Under age 22	1,166	1,331	1,478
Ages 22-29	3,903	5,228	4,759
Ages 30-39	6,165	8,238	6,929
Ages 40-49	6,633	10,272	8,926
Ages 50-59	3,493	5,557	4,988
Ages 60-64	536	797	767
Over 65 years	138	188	219
Information NA	9	21	26
Gender			
Female	4,943	7,299	7,332
Male	17,100	24,333	20,760

¹ Includes Arkin, Carlton, Cook, Itasca, Koochiching, Lake and St. Louis Counties.

Definitions

Initial Claims: The number of notices of new unemployment filed. The number of initial claims made in one week is an economic indicator; and, the data is also used to identify mass layoffs. There are various classifications of initial claims. A new initial claim is a request for the determination of a monetary entitlement and the establishment of a benefit year. An additional initial claim is a notice of new unemployment during an established benefit year. An additional initial claim is, in effect, the "reopening" of an existing claim with some intervening employment. In summaries of new UI claims that span more than two weeks, initial claims are not a count of people because many workers file additional claims.

Unemployment Insurance Program

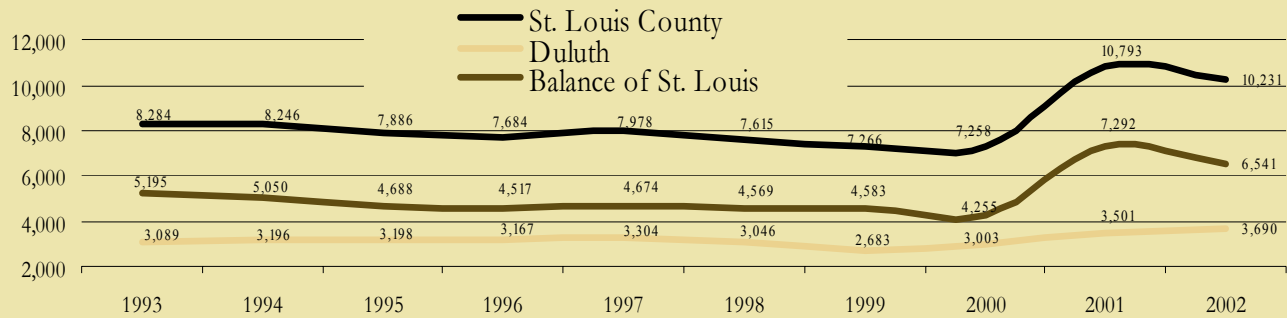
Unemployment Insurance is a program to provide benefits to workers who have lost their jobs through no fault of their own. This short-term income is designed to replace a part of a worker's wage loss while the person is looking for work. These benefits are paid from a fund supported by taxes paid by employers, which is based on their payrolls. Approximately 97 percent of Minnesota's nonfarm workers are covered under the program.

Unemployment Insurance Average Spell (Weeks) Individuals Reporting One or More Weeks of Unemployment

UI Benefits Paid to St. Louis County Residents 1993-2001	
	Average Spell (Weeks)
2002	14.1
2001	13.8
2000	12.8
1999	13.0
1998	13.7
1997	13.8
1996	14.3
1995	14.8
1994	15.4
1993	14.2

Unemployment Insurance (UI) Program

Individuals Reporting One or More Weeks of Unemployment
UI Benefits Paid to St. Louis County Residents, 1993-2001



Source: Minnesota Department of Economic Security. www.mnworkforcecenter.org

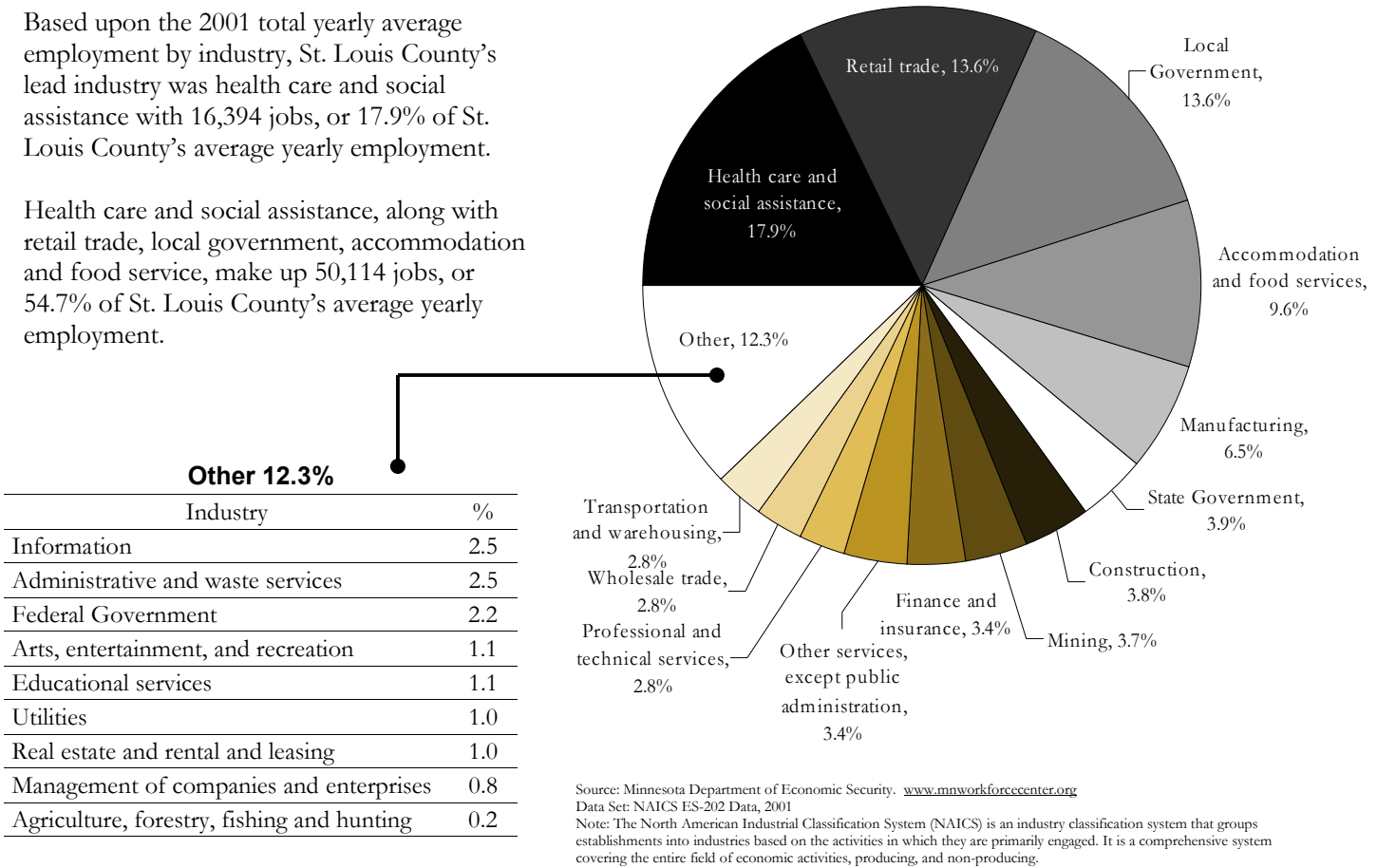
Structure of St. Louis County Economy

Average Yearly Employment by Industry

Percent of Total Average Yearly Employment, St. Louis County, 2001

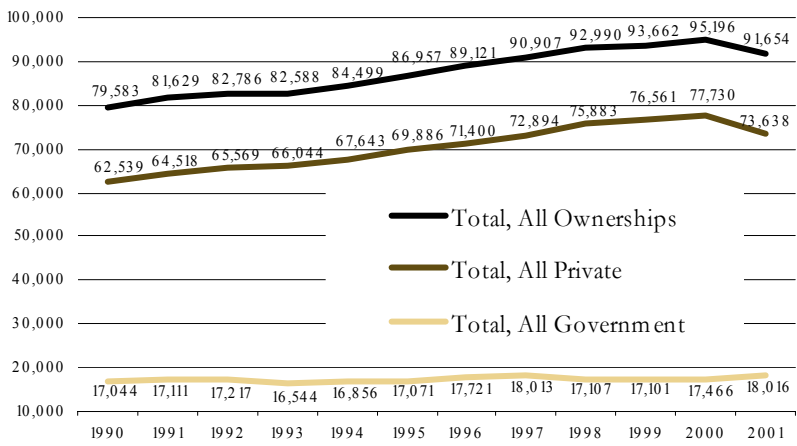
Based upon the 2001 total yearly average employment by industry, St. Louis County's lead industry was health care and social assistance with 16,394 jobs, or 17.9% of St. Louis County's average yearly employment.

Health care and social assistance, along with retail trade, local government, accommodation and food service, make up 50,114 jobs, or 54.7% of St. Louis County's average yearly employment.



Total, Private and Public Employment Growth

Average Yearly Employment
St. Louis County, 1990-2001



Source: Minnesota Department of Economic Security. www.mnworkforcecenter.org

Employment Growth by Ownership
Yearly Average: 1990-2001

	Number	Percent Change 1990-2001
Total, All Ownerships	12,071	15.2
Total, All Private	11,099	17.7
Total, All Gov't	972	5.7
Federal Gov't	313	18.4
State Gov't	883	33.1
Local Gov't	-224	-1.8

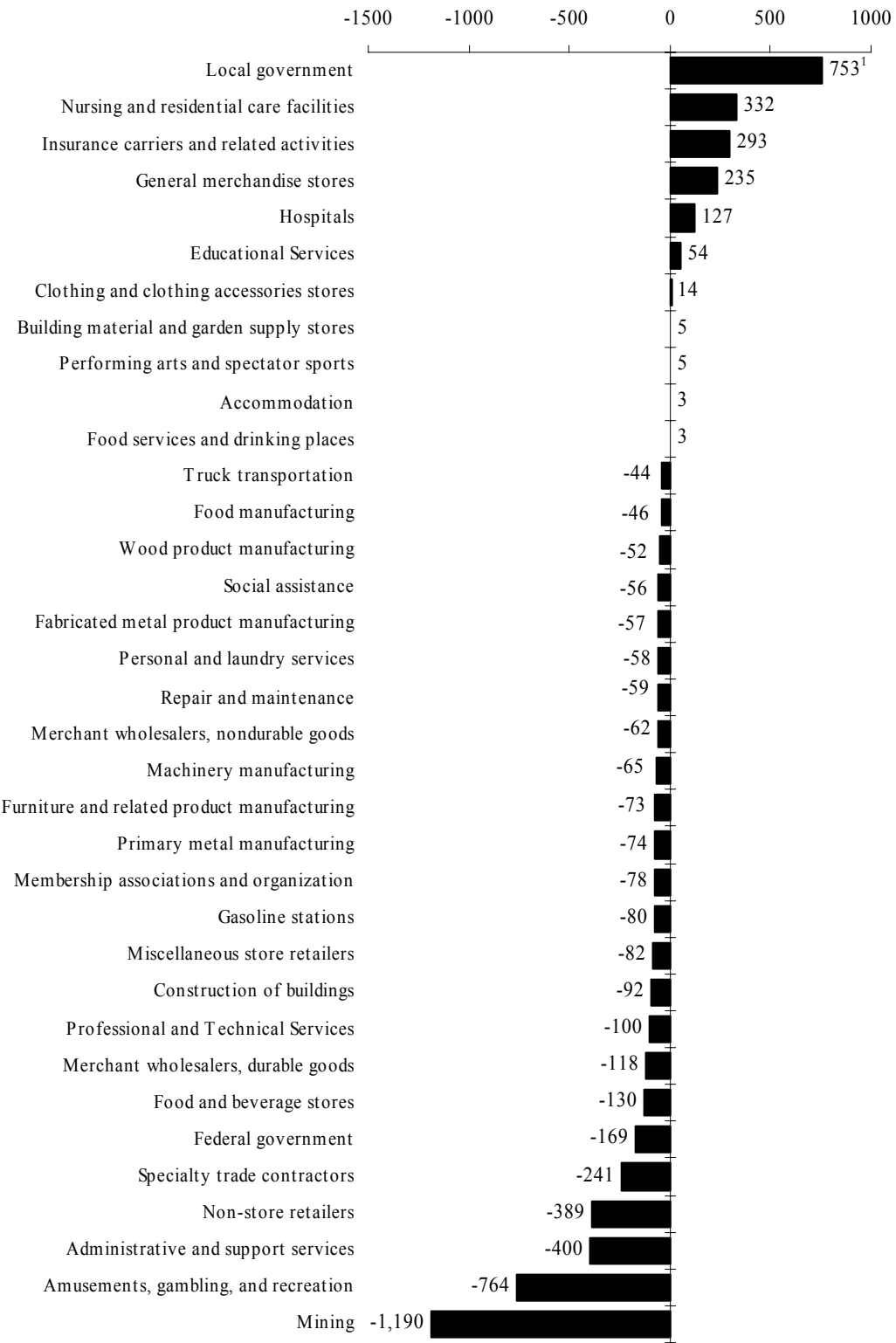
Where are Jobs Growing and Declining

About ES-202 Data
ES-202 data is: employment, number of employees, average weekly wage, total wages, quarterly and annual average by industry and geographic area. It provides a virtual census of nonagricultural employees and their wages representing approximately 97 percent of Minnesota's nonfarm employment.

Source of the Data
Covered Employment and Wage (CEW) data is collected in close cooperation with the Unemployment Insurance (UI) Tax Division of the Department of Economic Security. The UI tax law requires wage and employment reporting for all the firms covered under the UI tax code.

Populations Excluded
Self employed, railroad workers, student work study, elected officials, religious organizations.

Average Yearly Employment Growth and Decline St. Louis County North American Industrial Classification System (NAICS) 2000-2001: ES-202



¹ All tribal employment was reclassified as local government as of January 2001. Therefore, an increase in job growth is partly due to this reclassification of tribal establishments.

Average Yearly Employment by Industry St. Louis County NAICS 2000-2001: ES-202				
Industry Classification	Average Employment		Number Change	2001 Average Weekly Wage
	2000	2001	2000-2001	(\$)
Transportation and Warehousing ⁴⁸	2,711	2,522	↓ -189	708
Truck transportation ⁴⁸⁴	515	471	-44	698
Transit and ground passenger transportat ⁴⁸⁵	433	423	-10	400
Couriers and messengers ⁴⁹²	286	275	-11	683
Information ⁵¹	na	2,287	na	638
Publishing industries, except internet ⁵¹¹	na	933	na	612
Motion picture and sound recording industry ⁵¹²	na	107	na	185
Broadcasting, except internet ⁵¹⁵	na	582	na	599
Telecommunications ⁵¹⁷	na	602	na	807
Finance and Insurances ⁵²	2,863	3,128	↑ 265	1,067
Credit intermediation and related activities ⁵²²	1,332	1,315	-17	608
Insurance carriers and related activities ⁵²⁴	1,309	1,602	293	1,341
Real Estate and Rental and Leasing ⁵³	958	883	↓ -75	374
Real estates ⁵³¹	644	608	-36	388
Rental and leasing services ⁵³²	314	275	-39	345
Professional and Technical Services ⁵⁴	2,684	2,584	↓ -100	781
Management of Companies and Enterprises ⁵⁵	737	697	↓ -40	939
Administrative and Waste Services ⁵⁶	2,650	2,252	↓ -398	387
Administrative and support services ⁵⁶¹	2,302	1,902	-400	330
Waste management and remediation service ⁵⁶²	348	350	2	701
Educational Services ⁶¹	934	988	↑ 54	516
Health Care and Social Assistance ⁶²	16,022	16,394	↑ 372	634
Ambulatory health care services ⁶²¹	4,755	4,724	-31	960
Hospitals ⁶²²	5,551	5,678	127	644
Nursing and residential care facilities ⁶²³	4,028	4,360	332	376
Social assistance ⁶²⁴	1,688	1,632	-56	347
Arts, Entertainment, and Recreation ⁷¹	1,811	1,054	↓ -757	233
Performing arts and spectator sports ⁷¹¹	183	188	5	179
Museums, historical sites, zoos, and parks ⁷¹²	155	156	1	384
Amusements, gambling, and recreation ⁷¹³	1,474	710	-764	215
Accommodation and Food Services ⁷²	8,755	8,762	↑ 7	196
Accommodation ⁷²¹	2,054	2,057	3	233
Food services and drinking places ⁷²²	6,702	6,705	3	185
Other Services, except Public Administration ⁸¹	3,292	3,081	↓ -211	353
Repair and maintenance ⁸¹¹	815	756	-59	513
Personal and laundry services ⁸¹²	781	723	-58	316
Membership associations and organization ⁸¹³	1,619	1,541	-78	292
Private households ⁸¹⁴	77	61	-16	339

Source: Minnesota Department of Economic Security. www.mnworkforcecenter.org
Data Set: NAICS ES-202 Data, 2001